



Charles D. Baker, Governor
Karyn E. Polito, Lieutenant Governor
Stephanie Pollack, MassDOT Secretary & CEO
Steve Poftak, General Manager



**Fiscal and Management Control Board
Transportation Board Room
10 Park Plaza
March 4, 2019 #159
12:00 Noon
*MEETING MINUTES***

Present: Chair Joseph Aiello, Director Monica Tibbits-Nutt
Director Chrystal Kornegay, Director Brian Lang and
Director Brian Shortsleeve (arrived at 12:14 p.m.)

Quorum Present: Yes

Others Present: Secretary Stephanie Pollack (departed at 3:09 p.m.),
General Manager Steve Poftak, Jeff Gonnevile
(arrived at 1:40 p.m.), Nathan Peyton, Owen Kane,
Marie Breen, Michelle Kalowski, Paul Brandley, Evan
Rowe, Samantha Silverberg, Laurel Paget-Seekins,
and Erik Stoothoff

At the call of Chair Aiello, a meeting of the Fiscal and Management Control Board (Board) was called to order at 12:04 p.m. at the State Transportation Building, Transportation Board Room, 10 Park Plaza, Boston, Massachusetts.

Chair Aiello opened up the public comment period for items appearing on the agenda.

Massachusetts Bay Transportation Authority

Ten Park Plaza, Boston, MA 02116

www.mbta.com

The first two individuals, Sylvia Parsons and Jack Spence by way of written testimony from the Transportation Working group of 350 MA, commented on the proposed fare increase.

Veena Dharmasaj from the Sierra Club commented on the impending fare increase proposal and electric buses.

Stacey Thompson thanked Director Tibbits-Nutt and General Manager Poftak for their participation in local community meetings and encouraged other Board members to participate in fare increase meetings.

Next, Marilyn McNabb and Laura Branaro (inaudible) commented on the fare proposal as it related to The RIDE.

Next, Eric Cunningham read a statement on behalf of Transit Matters relative to the fare proposal.

Next, Kristiana Lachiusa from Livable Streets Alliance commented on lockbox spending.

Lastly, Mela Miles from the Greater Four Corners Action Coalition requested the Board listen to suggested ideas and requests from riders on various aspects of the MBTA and the fare increase.

Public comment period concluded at 12:30 p.m.

Next, was the approval of the minutes of the February 25, 2019 meeting.

On motion duly made and seconded, it was;

VOTED: to approve the minutes of February 25, 2019.

Chair Aiello continued with the agenda and called upon General Manager Steve Poftak to present the Report of the General Manager, Agenda Item D. Mr. Poftak discussed the overnight storm and its effects on MBTA operations. The General Manager continued discussing the first of ten F40 Locomotives entering into commuter rail service today and noted that this program would result in locomotive fleet reliability improvements. Mr. Poftak concluded with updates on the Rail Vision and The RIDE vehicle procurement, as set forth in the attached document labeled, "General Manager's Remarks March 4, 2019." Discussion ensued on locomotive options.

Chair Aiello noted for the record that there would be no report today from the Deputy General Manager.

The Chair next called upon MassDOT's Deputy Chief of Staff Nathan Peyton to present Agenda Item F, the FMCB Calendar. Mr. Peyton reviewed upcoming agenda items with the Board, as set forth in the attached document labeled, "FMCB Public Schedule, March 4, 2019." Discussion ensued.

Next, the Chair called upon Evan Rowe, Director of Revenue to present Agenda Item G, an update on Own Source Revenue. Mr. Rowe began with a brief recap of historical performance noting there was a 61% growth since FY15. Mr. Rowe continued to discuss highlights of FY19 revenue from advertising, up 13%

over FY18; gross revenue for parking was up 3% over FY18; and the revenue was up 3.5% in Q3 FY19 compared to FY18 from the launch of the new Perq Pass Program. Mr. Rowe concluded with a discussion of FY2019 and FY2020 objectives, as set forth in the attached document labeled, "Revenue Update, March 4, 2019." Discussion ensued. Chair Aiello requested a discussion on bus shelters and outdoor assets in the next three weeks; Director Lang requested a report on how to maximize revenue through real estate with advertising and parking; and Director Shortsleeve requested revisiting collaborating with colleges and universities for a student pass program.

Next, Chair Aiello called upon Senior Director of Capital Planning Samantha Silverberg to present Agenda Item H, an update on lockbox spending. Ms. Silverberg provided background of the fund that was established in March of 2016 to reinvest operating budget savings in capital improvements and noted that funds deposited in the lockbox provided a flexible source for capital investments. Ms. Silverberg continued updating the Board on lockbox expenditures and key dates and decisions.

Ms. Silverberg highlighted some reliability and performance improvements undertaken with lockbox expenditures and noted that lockbox funds could also be used as "seed money" to accelerate capital projects, as set forth in the attached document labeled, "Capital Maintenance Lockbox Fund, March 4, 2019." Discussion ensued.

Next, the Chair asked General Manager Steve Poftak to kick-off a discussion on the fare proposal. Mr. Poftak gave a brief overview and asked Laurel Paget-Seekins, Director of Fare Policy and Analysis to present Agenda Item I. Ms. Paget-Seekins provided a review of the proposal noting that each MBTA fare increase suggested was less than 7%, a few fares would not be changed and some would even decrease as part of a simplification of the fare structure in advance of AFC 2.0.

Ms. Paget-Seekins continued with a summary of customer comments received by mode and fare type main themes by service type.

Ms. Paget-Seekins concluded with a discussion of possible changes and next steps, as set forth in the attached document labeled, "Fare Increase Proposal FY20, March 4, 2019." Discussion ensued. Director Lang suggested no change in bus fares for students and seniors, and Director Tibbits-Nutt asked staff to analyze the implications of possibly merging the Zone 1 and Zone 1A commuter rail passes.

Next, the Chair called on Paul Brandley, Acting Chief Financial Officer to present Agenda Item J, a discussion of the preliminary FY20 itemized operating budget. Mr. Brandley said the goal in FY20 was to transfer \$90 million of additional contract assistance to the capital maintenance lockbox. He continued to discuss revenue and cost savings initiatives for closing the \$74 million budget gap, strategic investments, and FY20 revenue initiatives and service enhancements, as set forth in the attached document labeled, "FY20 Preliminary Operating Budget, March 4, 2019." Discussion ensued. The Directors requested additional information and

analyses by the March 11 meeting when the Board was scheduled to vote to release the preliminary FY20 itemized budget to the MBTA Advisory Board.

Lastly, Vice Chair Tibbits-Nutt called upon Erik Stoothoff, Deputy Chief Operating Officer of Infrastructure to present Agenda Item K, a discussion on bus facilities. Mr. Stoothoff noted this was the first of a series of presentations on the modernization of the bus maintenance facilities, and he led a discussion of policy decisions and the strategic approach to fleet technology and the associated needs for MBTA facilities. He said the MBTA's bus garage infrastructure consisted of 10 maintenance garages that were above capacity and functionally obsolete, noting the two in most urgent need of modernization were the Albany and Quincy garages. Mr. Stoothoff questioned whether the new facilities should be designed to accommodate new advanced technology and electric buses and discussed facility design criteria. He concluded by discussing next steps, as set forth in the attached document labeled, "Bus Facilities Part 1: Modernization Program, Policy and Strategic Approach, March 4, 2019." Extensive discussion ensued on future bus capacity and real estate.

On motion duly made seconded, it was by roll call:

Chair Aiello	Yes
Director Tibbits-Nutt	Yes
Director Lang	Yes
Director Shortsleeve	Yes

Director Kornegay

Yes

VOTED: To enter into Executive Session for a discussion of strategy related to a litigation matter and a real estate matter at 3:26 p.m.

Documents relied upon for this meeting:

- Minutes of February 25, 2019
- General Manager Remarks, March 4, 2019
- FMCB Public Schedule, March 4, 2019
- Revenue Update, March 4, 2019
- Capital Maintenance Lockbox Fund, March 4, 2019
- Fare Increase Proposal FY20, March 4, 2019
- FY20 Preliminary Operating Budget, March 4, 2019
- Bus Facilities Part 1: Modernization Program, Policy and Strategic Approach, March 4, 2019